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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 000041

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STATE FOR NEA/ARP, NEA/IPA, NEA/RA

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TAGS: [ECON](#) [PREL](#) [KPAL](#) [KU](#)  
SUBJECT: JANUARY 19-20 ARAB ECONOMIC SUMMIT

REF: A. STATE 3120  
[1](#)B. KUWAIT 34  
[1](#)C. KUWAIT 26

Classified By: Econcouns Oliver John for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: On January 13, Ambassador emphasized to Kuwaiti Foreign Minister USG concern that any summit discussion on Gaza be supportive of the Egyptian-Israeli dialogue, consistent with UNSCR 1860, and that any assistance be designed to strengthen the Palestinian Authority and not Hamas. The FM acknowledged these goals, but wondered aloud why the USG could not support UNSCR 1860. He also discussed briefly Israeli PM Olmert's reported remarks that he had convinced the USG to abstain on UNSCR 1860, which Ambassador rejected. Gaza will play an important part in the summit discussions, although the Qatari call for an emergency summit in Doha on January 16 has caused consternation among GoK planners. The Gaza crisis and the global economic crisis have impacted on summit planning and -- as of January 14 -- there is no final agenda. End summary.

Gaza  
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[1](#)2. (C) Gaza will be a key component of the upcoming summit. Foreign Ministers are scheduled to discuss the issue during the January 16, emergency preparatory meeting, and Kuwaiti FM Sheikh Dr. Mohammed Al Sabah publicly stated that Arab leaders would discuss the Gaza crisis during the summit. On January 14, Ambassador met briefly with the FM on the margins of another event to stress that the summit should not distract from the delicate Egyptian -Israeli negotiations toward a durable ceasefire, consistent with UNSCR 1860 (ref a). She also urged that any aid coming from the summit support and strengthen the Palestinian Authority and not Hamas. The FM replied "of course," but also wondered why the USG had been unable to support UNSCR 1860 after all the time spent negotiating it. Ambassador categorically rejected Israeli PM Olmert's reported assertion that Secretary Rice had been prepared to vote for the resolution, before Olmert's personal intervention with POTUS reversed that position. Ambassador stressed that we had abstained because we believed in giving the Egyptian-Israeli dialogue more time to mature.

[1](#)3. (C) Currently, the GoK is planning to host an emergency Arab League Foreign Minister's meeting on Friday January 16 to discuss Gaza. Qatar's request to host an emergency Gaza summit that same day has caused some consternation with Kuwaiti planners. (Note: We understand the FM was apoplectic and the source behind a front page editorial in today's Arabic press blasting the Qataris. End Note.) MFA Economics Department official, Sheikh Jarrah Jaber Al-Sabah told Econcouns that he did not yet know what impact this proposed summit would have on Kuwait, but that his superiors were discussing the issue. The GoK has reportedly said it

will not attend a Doha summit.

¶4. (C) Meanwhile on the domestic front, a new cabinet was sworn in on January 12 and immediately faced parliamentary criticism (ref b). There was brief agreement between the GoK and Parliament when the PM strongly denounced Israeli actions in Gaza and declared Kuwait's support for UNSCR 1860. Nevertheless, almost half of Kuwait's elected parliamentarians (21 out of 50) declared their opposition to the entry of PA President Mahmoud Abbas to Kuwait for the summit, noting both the expiration of his term and his weak leadership in opposing the "Israeli aggression." The FM and the Minister of State for Cabinet Affairs confirmed to Ambassador on January 13 that Abbas has been invited and they believed he would be attending.

#### Economic Issues

¶5. (SBU) Econcouns briefly discussed ref a demarche with Sheikh Jarrah and tried to get a better sense on MFA thinking on the summit. (Note: The MFA Economic Department has the GoK lead on preparations for the summit. End Note.) Sheikh Jarrah reiterated that the summit agenda was not yet finalized, but confirmed that the global financial crisis would be a topic of discussion as would Gaza. He took Econcouns' points on board, noting only that "it is good to know these points as we have our discussions." He undertook to pass USG concerns to his superiors. Sheikh Jarrah did confirm that Arab league members would be attending at senior levels (i.e., generally head of state or government).

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#### Comment

¶6. (C) Kuwait is hosting the Arab Economic Summit at a particularly challenging moment, both economically and politically and both internationally and domestically. Although the summit's original objectives focused on longer-term economic reform goals (privatization, unemployment, and intra-Arab trade), the global financial crisis and the sharp drop in oil prices have created more immediate problems for the Kuwaitis and several other GCC states. The civil society fora, taking place on January 17-18, still focus on issues ranging from trade to education and from water to food security, which implies that they will also play a role in the summit. But even in the public fora, the first session will be on the global financial crisis. It is also clear that despite the hopes of the GoK that Gaza would not distract from the many economic challenges facing the region, Gaza discussions will play a major part in the meetings, even if the Qataris succeed in hosting their "competing" Gaza summit. End Comment.

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